

Remarks

35 U.S.C. § 103 Rejection of Claims

In the 13 June 2006 Office Action, claims 65 - 103 are rejected as being unpatentable over a Bielinski document in view of a Brown document. The Examiner has cited these two documents as references. The Assignee respectfully traverses the §103 rejections of claims 65 - 103 in two ways. First, by noting that the cited combination of documents fails to establish a prima facie case of obviousness. Second, by noting that the assertions regarding the alleged obviousness of the claims are not in compliance with the requirements of the Administrative Procedures Act.

As discussed previously, the 13 June 2006 Office Action fails to establish the prima facie case of obviousness required to sustain the rejections of claim 65 - 103. The 13 June 2006 Office Action fails to establish the required prima facie case of obviousness in a number of ways, including:

1. citing a combination of documents that teach away from their own combination;
2. failing to meet the defined criteria for establishing a prima facie case of obviousness;
3. citing a combination of documents that fails to make the invention as a whole obvious;
4. failing to describe how the teachings of these documents would be combined to produce anything useful;
5. citing a combination of documents that fails to enable the replication any functions of the claimed invention; and
6. citing a combination of documents that would destroy the ability of the methods described by these documents to function.

The first way the cited combination of documents fails to establish the prima facie case of obviousness required to sustain the rejections of claim 65 - 103 is by citing a combination of documents that teach away from their own combination. MPEP § 2145 X.D.2 provides that: "it is improper to combine references where the references teach away from their combination." As detailed below, Bielinski and Brown teach away from the proposed combination in at least four ways.

The first way the two documents teach away from the proposed combination is that the two methods teach and rely on different, incompatible topologies for performing the same analysis. Bielinski teaches the use of Value Based Management (hereinafter, VBM). The Bielinski document mentions VBM 29 times. VBM teaches and relies on a tree topology for the analysis of value (for example, see Rappaport, Koller and Hasendoncx). The VBM tree topology teaches away from the topology of the neural network models that Brown teaches for use in value analysis. It clearly would be improper to combine a neural network that relies on a network topology with a method that teaches away from the use of a network topology for the analysis of value. In the 13 June 2006 Office Action the Examiner responded to the previous presentation of this line of reasoning by stating that Koller provides no indication that neural networks can not be used to identify value drivers, that the line of reasoning was not supported and that the line of reasoning amounted to an allegation. The Assignee respectfully submits that the first part of the Examiner's response is contrary to MPEP 2145 which states (among other things) that "the totality of the prior art must be considered" (Hedges, 783 F.2d 1038, 1041, 228 USPQ 685, 687 (Fed. Cir. 1986)). The Assignee also respectfully submits that the Examiner's overall response is a misrepresentation of the argument that was presented. Simply put, Bielinski teaches the use of a tree topology to analyze value which teaches away from a combination with the method described by Brown that uses a network topology to analyze value.

The Examiner's 13 June 2006 response also identified a second way the two documents teach away from the proposed combination. As noted in Bielinski, VBM is closely related to the SVA methods detailed in the Shareholder Value Analysis book by Rappaport. In the book, Rappaport identifies the seven drivers of business value (see Rappaport, page 55). The identified value drivers include the value drivers Bielinski refers to (see Bielinski page 2). Because the Bielinski document teaches and relies on a method that explicitly identifies the value drivers, it teaches away from a combination with any other method to identify value drivers. This includes teaching away from a combination with Brown.

The third and fourth ways the two documents teach away from the proposed combination is that they teach different, incompatible time frames and approaches to value analysis. As noted in Bielinski, VBM teaches the long term (5 year) analysis of historical cash flow (see Bielinski, page 2) to support the development of a long term model of value creation. Conversely, Brown teaches a scoring method for value analysis that uses current data to project short term changes in value (see Brown and Neurodimension). In short,

Bielinski and Brown teach away from their proposed, theoretical combination in at least four different ways.

The second way the cited combination of documents fails to establish the prima facie case of obviousness required to sustain the rejections of claim 65 - 103 is by citing a combination of documents that fails to meet the criteria required for establishing a prima facie case of obviousness. MPEP 2142 provides that in order to establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation to modify the reference or combine the reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. As detailed below, the 13 June 2006 Office Action fails to meet all three of the criteria for establishing a prima facie case of obviousness for claims 65 – 103.

The 13 June 2006 Office Action fails to meet the first criteria for establishing a prima facie cause of obviousness for claims 65 - 103 because, as detailed above, the two documents (Bielinski and Brown) teach away from the theoretical combination contained in the Office Action. It is well established that “teachings of references can be combined only if there is some suggestion or incentive to do so” quoting ACS Hosp. Sys., Inc. v Montefiore Hosp., 732 F.2d 1572, 1577 221 U.S.P.Q 929,933 (Fed. Cir., 1984). The prosecution history of the above referenced application also provides additional evidence of the failure to meet the first criteria. First, the 13 June 2006 Office Action again offers an unsupported opinion that the “well known” use of neural networks for increasing score prediction accuracy provides a motivation for making the proposed theoretical combination. This argument is not persuasive for a number of reasons:

1. the Examiner has not established any relationship between the calculation of accurate scores with any of the method steps of the present invention,
2. the Examiner has arbitrarily refused to respond to a legitimate request to explain the relationship of scoring to any aspect of the claimed invention; and
3. the Examiner appears be suggesting that neural networks should be used to identify value drivers. As noted previously, VBM explicitly identifies the value drivers that Bielinski refers to (see Rappaport, page 55 and Bielinski, page 2). As a result, there is no incentive or motivation to combine the teachings of the Bielinski document with a neural net taught by Brown (or anything else) to identify value drivers.

Another reason the Office Action combination fails to meet the first criteria is that the Examiner has previously provided a reference (Reilly, "What's it worth?") that made it clear that the prevailing wisdom in a relevant field of practice provided an incentive not to make the proposed theoretical combination. In the 13 June 2006 Office Action the Examiner responded to the previous presentation of this line of reasoning by making an arbitrary and capricious statement to the effect that the Assignee had failed to provide any support. The Assignee respectfully submits that the fact that a reference document provided by the Examiner teaches that the accepted wisdom in a relevant field of practice was that the contribution of elements of value to financial performance should be evaluated using a series simplifying assumptions speaks for itself. This is particularly true since the assumptions taught by the reference preclude the need for analysis along the lines outlined in the above referenced application. Furthermore, it is well established that the Examiner has the burden of supporting the decision to ignore the teachings of a reference she provided when formulating the findings contained in an Office Action. The Appeal Brief for the above referenced application will make it clear that this is not the only evidence of non-obviousness the Examiner has elected to ignore in formulating the findings contained in the instant Office Action.

The 13 June 2006 Office Action fails to meet the second criteria for establishing a prima facie case of obviousness for claims 65 - 103 because it does not cite a combination of documents and/or teachings that has a reasonable expectation of success. There are at least four reasons why the cited combination of documents does not have a reasonable expectation of success. The first reason the combination would be expected to fail is that the cited documents teach two incompatible topologies for completing value analysis. The second and third reasons the theoretical combination would be expected to fail is that the cited documents teach incompatible time frames and approaches to value analysis. As a result, it would be unreasonable to expect that the theoretical combination could be used to support the development of a coherent picture of enterprise financial performance or anything else. The fourth reason the combination would be expected to fail is that the completion of the processing for the independent and dependent claims requires the use of a series of data processing and analytical steps that are new, novel and/or non-obvious. The prosecution to date of the instant application and other applications in the CIP chain has produced substantial evidence that there are dozens of instances of novelty, non obviousness and/or newness relative to the state of the art that are incorporated in the methods, media and/or systems utilized in the claimed invention (note: multiple references

for the same instance are counted multiple times). In short, the orthogonal teachings of the cited documents and a substantial body of evidence developed by the prosecution to date of this application and other applications in the CIP chain provides convincing proof that the cited combination is an almost certain failure not a probable success.

The 13 June 2006 Office Action fails to meet the third criteria for establishing a prima facie case of obviousness because it does not teach or suggest one or more of the limitations for every claim.

Far from establishing a prima facie case of obviousness for claims 65 - 103, the cited combination of documents in the 13 June 2006 Office Action provides additional evidence that the claimed invention for producing concrete, tangible and useful results is new, novel and non-obvious. It does this by calling for a combination of documents when the cited documents teaches away from their proposed combination, by citing a combination of documents when the prior art provided by the Examiner indicates that there is a clear incentive not to make the combination, by advocating a combination of documents that is an almost certain failure and by relying on a combination of documents that fails to suggest almost all of the claim limitations.

Another way the combination of documents cited in the 13 June 2006 Office Action fails to establish a prima facie case of obviousness for claims 65 – 103 is that it fails to make the invention as a whole obvious as required by MPEP § 2141.02 which states that:

In determining the difference between the prior art and the claims, the question under 35 U.S.C. 103 is not whether the differences themselves would have been obvious but whether the claimed invention as a whole would have been obvious.

As noted previously, the obviousness rejections are based on a combination of Bielinski and Brown. The method Bielinski describes away from the method of the instant application in a number of ways, including teaching the use of a tree topology instead of a network topology, teaching away from the analysis of the elements of value, teaching away from an analysis of element of value contribution to value, pre-defining value drivers, teaching a different definition of value driver and by teaching an exclusive reliance on historical cash flow. As detailed above, the Brown methodology for value analysis also teaches away from the method of the instant application in a number of ways. As noted previously, the two documents also teach away from their own combination. Taken together the cited combination of documents fails to make the invention as a whole obvious. The

cited combination also fails to make a single aspect of the claimed invention obvious. These failures provide additional evidence that the claimed invention for producing concrete, tangible and useful results is new, novel and non-obvious. Along these same lines, it should be noted that a prior combination proposed by the Examiner for the above referenced application contained documents that also taught away from the methods of the claimed invention and provided addition evidence of the non-obviousness of the claimed invention.

The fourth way the 13 June 2006 office action fails to establish a prima facie case of obviousness for claims 65 - 103 is that it does not teach how a value based management system and a neural network could be combined to produce anything useful. It is well established that "particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed" (In re Kotzab, 217 F.3d 1365, 1371, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000)). In short, the office action has not described how the teachings of these documents would be combined or the reason for doing so. In particular, the Examiner has not been willing to articulate a reason that the neural network scoring capability would provide a motivation for the proposed combination. Conversely, the Examiner has ignored substantial evidence from references she provided that there was a clear motivation not to make the claimed invention or the cited combination. Furthermore, as detailed above, the document teachings make it obvious that there are many reasons that the cited combination should not be made and that if it were made there could be no reasonable expectation that it would succeed.

The fifth way the 13 June 2006 office action fails to establish a prima facie case of obviousness for claims 65 - 103 is that it cites a combination of documents that fails to enable the replication any of the functions of the claimed invention.

The sixth way the 13 June 2006 office action fails to establish a prima facie case of obviousness for claims 65 - 103 is that it the proposed combination of Bielinski and Brown would destroy the ability of the methods described by these documents to function. It is well established that when a modification of a reference destroys the intent, purpose or function of an invention such a proposed modification is not proper and the prima facie cause of obviousness cannot be properly made (In re Gordon 733 F.2d 900, 221 U.S.P.Q. 1125 Fed Circuit 1984). The operation of the VBM methodology requires that the inputs to each node in the tree arithmetically combine to produce a number that is then passed on to higher levels

in the tree. The use of a neural network in place of any part of the tree would destroy the ability to arithmetically generate the numbers required at each tree node. In short the proposed, theoretical combination would destroy the ability of the VBM method taught by Bielinski to function. In a similar manner, imposing a tree topology on the methods of Brown would destroy the ability of the value analysis method taught by Brown to function. This in turn provides additional evidence that the proposed combination is improper and that the Examiner has failed to establish the prima facie case of obviousness required to sustain the rejection of a single claim.

The 13 June 2006 Office Action also contains "official notice" regarding the use of technologies that the Examiner claims are well known for use in optimization. The Assignee traverses this claim by noting that the official notice is moot because the Examiner has failed to identify a document or combination of documents that would support the development of a comparable model of enterprise financial performance that could work alone and/or in conjunction with these "well known" technologies. The Assignee also notes that the use of "official notice" is not consistent with the requirements of the Administrative Procedure Act.

As noted previously, the second way the Assignee will traverse the § 103 rejections of claims 65 - 103 in the 13 June 2006 Office Action is by noting that the assertions regarding obviousness are not in compliance with the requirements of the Administrative Procedures Act and are therefore moot. In *Dickinson v. Zurko*, 119 S. Ct. 1816, 50 USPQ2d 1930 (1999), the Supreme Court held that the appropriate standard of review of PTO findings of fact are the standards set forth in the Administrative Procedure Act ("APA") at 5 U.S.C. 706 (1994). The APA provides two standards for review – an arbitrary and capricious standard and a substantial evidence standard. The Assignee respectfully submits that the § 103 rejections of claims 65 - 103 in the instant Office Action fails under both standards. As detailed above, the 13 June 2006 Office Action fails under the first standard because it fails to provide the evidence required to establish a prima facie case of obviousness that would support the rejection of a single claim and because it relies on "official notice" for the rejection of at least one claim. The 13 June 2006 Office Action fails under the second standard because the findings in the Office Action rely on a refusal to respond to a reasonable request to explain how the proposed combination would function and an arbitrary and capricious decision to ignore the teachings of reference documents provided by the Examiner that provide clear evidence of non-obviousness. Reference document teachings that were ignored include:

1. the teachings of Reilly that made it clear that the prevailing wisdom in a relevant field of practice provided a strong incentive not to make the claimed invention and/or the theoretical combination proposed by the Examiner in the instant Office Action. It is well established that proceeding against accepted wisdom is evidence of unobviousness (Arkie Lures, Inc. v. Gene Larew Tackle, Inc., 119 F.3d 953 (Fed. Cir. 1997)); and
2. the teachings of Bielinski (and the related Rappaport teachings) that made it clear that there was motivation and incentive not to make the theoretical combination proposed by the Examiner in the instant Office Action and that once made there could be no reasonable expectation of success.

The Appeal Brief for the above referenced application will contain additional evidence of non-obviousness that the Examiner has elected to ignore.

Restriction Requirement

In the 13 June 2006 Office Action, claims 104 - 118 are unilaterally withdrawn by the Examiner as being in a different class than claims 65 - 103. The Assignee respectfully objects to the restriction requirement, by noting that the assertions regarding the different statutory class of claims 104 - 118 are arbitrary and capricious. The Assignee also notes that the prosecution history of other applications can be used to provide additional evidence that all the findings contained in the 13 June 2006 Office Action are arbitrary and capricious.

Statement Under 37 CFR 1.111

Amendments to a number of claims are included in the response to the 13 June 2006 Office Action. 37 CFR 1.111 states in part that:

In amending in response to a rejection of claims in an application or patent undergoing reexamination, the Assignee or patent owner must clearly point out the patentable novelty which he or she thinks the claims present in view of the state of the art disclosed by the references cited or the objections made. He or she must also show how the amendments avoid such references or objections.

The Assignee notes that this requirement is not relevant to the instant application because no documents or references that need to be avoided have been identified during the prosecution of this application or any applications in the CIP chain. Having said that, the Assignee notes that the amendment to claims 69, 77, 85 and 92 were made to add a limitation previously presented as claim 102. No new matter was added by these changes. Claims 97 – 103 were cancelled in order to narrow the issues under appeal.

Information Disclosure Statement

An information disclosure statement that includes documents identified during the prosecution of other applications is being prepared. It will be submitted at the same time the appeal brief for the above referenced application is submitted.

Reservation of rights

The Assignee hereby explicitly reserves the right to present the previously modified and/or canceled claims for re-examination in their original format. The cancellation or modification of pending claims to put the instant application in a final form for allowance and issue should not be construed as a surrender of subject matters covered by the original claims before their cancellation or modification. The Assignee notes that claims covering most of the subject matter of claims previously cancelled as part of the prosecution of the above identified application are already pending in a continuation application.

Conclusion

The pending claims are of a form and scope for allowance. Prompt notification thereof is respectfully requested.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B.J. Bennett", with a long horizontal flourish extending to the right.

B.J. Bennett, President Asset Trust, Inc.

Date: July 7, 2006